

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Market-Dominant Price Change

Docket No. R2023-1

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued October 18, 2022)

To clarify the basis of information provided by the Postal Service in its Notice of Market Dominant Price Change, filed October 7, 2022,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than October 25, 2022.

**First-Class Mail**

1. Please provide an explanation as well as the underlying data sources and calculations used to determine the volume distribution percentages in cells J2 and J3 of Library Reference USPS-LR-R2023-1/1, October 7, 2022, Excel file "CAPCALC-FCM-R2023-1.xlsx," tab "Color Transpromo."

**USPS Marketing Mail**

2. In the Notice, the Postal Service states that it "has estimated the High Density Flats, High Density Plus Flats, [Every Door Direct Mail (EDDM)] Flats, and Saturation Flats volume on Delivery Sort containers using the percentage numbers derived from The Marketing Mail Characteristics Study documented in USPS-FY21-12 in ACR-2021." Notice at 20. The Postal Service also states that

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<sup>1</sup> United States Postal Service Notice of Market-Dominant Price Change, October 7, 2022 (Notice).

it “has estimated the 3-Digit, 5-Digit, Carrier Route High Density, High Density Plus, EDDM Flats, and Saturation Flats volume on [Sectional Center Facility (SCF)] Pallets using the percentage numbers derived from The Marketing Mail Characteristics Study documented in USPS-FY21-12 in ACR-2021.” *Id.*

- a. Please confirm that the Mail Characteristics Study is included in Docket No. ACR2021, Library Reference USPS-FY21-12, December 29, 2021. If not confirmed, please provide the correct library reference. Please also provide the correct referenced file(s) in an Excel format.
  - b. Please identify in the appropriate source the specific cells where the percentages used to calculate the above described adjustments to the Billing Determinants are located. *See id.* at 20. If the percentages are derived from a calculation or calculations, please provide the calculation(s).
3. Please refer to cells C92, C93, and C168 of Library Reference USPS-LR-R2023-1/2, October 7, 2022, Excel file “CAPCALC-USPSMM-R2023-1.xlsx,” tab “Carrier Route.”
  - a. Please confirm that Carrier Route flats on Delivery Sort containers (*i.e.*, containers already qualifying for the 5-Digit Scheme Direct container discount) would also qualify for the SCF container discount. If confirmed, please explain the rationale for this.
  - b. If part a. is not confirmed, please explain why the adjustment for Carrier Route flats on SCF pallets is estimated using the sum of total Carrier Route flats on other containers and Carrier Route flats on Delivery Sort containers in the cells referenced above.
4. Please refer to Library Reference USPS-LR-R2023-1/2, Excel file “CAPCALC-USPSMM-R2023-1.xlsx,” tab “Carrier Route.” Please provide a revised version of Excel file “CAPCALC-USPSMM-R2023-1.xlsx” that shows the underlying data

sources and calculations used to determine the values in cells E186, E197, G186, and G197.

5. Please refer to cells C27 and C35 in Library Reference USPS-LR-R2023-1/2, Excel file “CAPCALC-USPSMM-R2023-1.xlsx,” tab “HD&Saturation Flats and Parcels.”
  - a. Please confirm that cell C27 should contain the value 319,167,242 and not 319,171,243. If not confirmed, please explain.
  - b. Please confirm that cell C35 should contain the value 121,938,403 and not 121,941,925. If not confirmed, please explain.
  - c. If the responses to parts a.-b. necessitate any changes to Excel file “CAPCALC-USPSMM-R2023-1.xlsx,” please file a revised version of Excel file “CAPCALC-USPSMM-R2023-1.xlsx” and any other supporting document as needed.
6. Please refer to Library Reference USPS-LR-R2023-1/2, Excel file “CAPCALC-USPSMM-R2023-1.xlsx,” tab “Misc.” Please identify the source of the value for the Move Update Noncompliance Charge in cell B2. Please also explain why it does not appear in the Billing Determinants.
7. Please refer to Library Reference USPS-LR-R2023-1/2, Excel file “4Q21 USPS Marketing Mail BD – Public ACR.xlsx.” Please provide an explanation for the negative volume, revenue, and weights in tab “C4-3 NP ECR Ltr-Shp Flats” and tab “C1-5 Reg Parcels.”

## **Periodicals**

8. In the Notice, the Postal Service states that it is proposing to accept “sacks containing flats only at Destination Sectional Center Facility (DSCF), Sort and Distribution Centers (SDC), and Destination Delivery Units (DDU).” Notice at 21. In its proposed changes to the Mail Classification Schedule (MCS), the Postal Service proposes the MCS be amended to state that “[s]acks will be accepted at

all dropship levels if they contain Parcels and only accepted at DSCF and DDU if they contain Flats.” *Id.* Attachment A at 96.

- a. Please confirm the Postal Service is proposing that sacks will be accepted at DSCFs and DDUs if they contain flats and/or parcels. If not confirmed, please explain.
- b. If part a. is confirmed, please confirm that it would accurately reflect the Postal Service’s proposal to modify the proposed MCS language in Notice, Attachment A at 96 to state that “Sacks will be accepted at all dropship levels if they contain Parcels and accepted at DSCF and DDU if they contain Flats and/or Parcels.” If not confirmed, please explain.
- c. Please confirm that the Postal Service intends to accept sacks containing flats at SDCs. See Notice at 21. If not confirmed, please explain.
- d. If part c. is confirmed, please provide any changes needed to be made to Attachment A to the Notice in legislative format to reflect that the Postal Service intends to accept sacks containing flats at SDCs.

### **Special Services**

9. The Postal Service states that “Signature Confirmation and Certificates of Mailing will no longer be available for returns.” *Id.* at 28.
  - a. Please provide the Postal Service’s rationale for no longer offering Signature Confirmation and Certificates of Mailing for returns.
  - b. Please describe the likely impact that the changes will have on users of the services and on competitors.
  - c. Please provide the expected effective date of the changes.
  - d. In the MCS, Certificates of Mailing and Signature Confirmation are offered for various Competitive products, including products that may be used to mail returns. Notice, Attachment A at 138, 154. Please explain how the

Postal Service defines returns and explain how the Postal Service will distinguish between packages containing returns and packages not containing returns.

- e. Please provide any changes (in legislative format) that should be made to Attachment A to the Notice to capture the Postal Service's proposed changes to Certificates of Mailing and Signature Confirmation. *See id.* at 138, 154.
10. The Postal Service states that Correction of Address Lists and ZIP Code Sortation of Address Lists will no longer be offered as services under the Address Management Services product. Notice at 28; *id.* Attachment A at 174, 176.
- a. Please provide the Postal Service's rationale for no longer offering Correction of Address Lists and ZIP Code Sortation of Address Lists.
  - b. Please describe the likely impact that the changes will have on users of the services.
  - c. Attachment A to the Notice retains descriptions of Correction of Address Lists and ZIP Code Sortation of Address Lists. *Id.* at 167, 172. Please confirm that those descriptions should be removed from the MCS and provide any changes (in legislative format) that should be made to Attachment A to the Notice. If not confirmed, please explain.
11. Please refer to Library Reference USPS-LR-R2023-1/5, October 7, 2022, Excel file "R2023-1 Special Services CapCalc.xlsx," tab "F-12 Signature Confirmation."
- a. Please confirm the volumes in cells H9:H12 used for the Price and Revenue Increase Calculations are correct. If not confirmed, please file a revised version of Excel file "R2023-1 Special Services CapCalc.xlsx" or any other supporting document as needed.

- b. The Postal Service provides a note advising of a Billing Determinants adjustment on account of Signature Confirmation service being eliminated for returns along with the adjustment in cells G18:M23. Please provide the adjusted final Billing Determinants volumes broken out by fiscal quarter (*i.e.*, FY 2021 Quarter 4, FY 2022 Quarter 1, FY 2022 Quarter 2, and FY 2022 Quarter 3). If the sums of the quarterly volumes differ from those in cells H9:H12 for their respective categories, please explain.
  - c. Please confirm the 0 volume for the Signature Confirmation Restricted Delivery NSA in cell C11 is correct. If not confirmed, please file a revised version of Excel file “R2023-1 Special Services CapCalc.xlsx” with the correct volume and any other supporting document as needed.
- 12. Please refer to Library Reference USPS-LR-R2023-1/5, Excel file “R2023-1 Special Services CapCalc.xlsx,” tab “G-3 Certificates of Mailing.”
  - a. Please confirm the volumes in cells H9:H13 used for the Price and Revenue Increase Calculations are correct. If not confirmed, please file a revised version of Excel file “R2023-1 Special Services CapCalc.xlsx” or any other supporting document as needed.
  - b. The Postal Service provides a note advising of a Billing Determinants adjustment on account of Certificate of Mailing service being eliminated for returns along with the adjustment in cells G19:I23. Please provide the adjusted final Billing Determinants volumes broken out by fiscal quarter (*i.e.*, FY 2021 Quarter 4, FY 2022 Quarter 1, FY 2022 Quarter 2, and FY 2022 Quarter 3). If the sums of the quarterly volumes differ from those in cells H9:H13 for their respective categories, please explain.
- 13. Please refer to Library Reference USPS-LR-R2023-1/5, Excel file “FY21Q4 – FY22Q3 Special Services Hybrid Year.xlsx,” tab “G-5 Bulk Parcel Return Service.” Please confirm that there were no volumes for FY 2022 Quarters 1

through 3. If not confirmed, please file a revised version of Excel file “FY21Q4 – FY22Q3 Special Services Hybrid Year.xlsx” or any other supporting document as needed.

14. Please refer to Library Reference USPS-LR-R2023-1/5, Excel file “FY21Q4 – FY22Q3 Special Services Hybrid Year.xlsx,” tab “K-1 Cass.” Please confirm that there were no volumes for FY 2021 Quarter 4 through FY 2022 Quarter 3. If not confirmed, please file a revised version of Excel file “FY21Q4 – FY22Q3 Special Services Hybrid Year.xlsx” or any other supporting document as needed.

By the Chairman.

Michael Kubayanda